

UNITED STATES BANKRUPTCY COURT
SOUTHERN AND WESTERN DISTRICTS OF TEXAS
Houston DIVISION

CASE NAME: Inland Environmental Remediation, Inc.Petition Date: 9/14/16CASE NUMBER: 16-34624-114-11MONTHLY OPERATING REPORT SUMMARY FOR MONTH October YEAR 2016

MONTH	<u>Sept</u>	<u>Oct</u>				
REVENUES (MOR-6)	<u>18746.97</u>	<u>0</u>				
INCOME BEFORE INT, DEPREC./TAX (MOR-6)	<u>18746.97</u>	<u>0</u>				
NET INCOME (LOSS) (MOR-6)	<u>18746.97</u>	<u>0</u>				
PAYMENTS TO INSIDERS (MOR-9)	<u>0</u>	<u>0</u>				
PAYMENTS TO PROFESSIONALS (MOR-9)	<u>0</u>	<u>0</u>				
TOTAL DISBURSEMENTS (MOR-8)	<u>21718.88</u>	<u>325.00</u>				

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED		
AS OF SIGNATURE DATE	EXP.	DATE
CASUALTY	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	<u>3-22-17</u>
LIABILITY	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	<u>3-22-17</u>
VEHICLE	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	<u>3-22-17</u>
WORKER'S	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	<u>8-19-17</u>
OTHER	YES <input type="checkbox"/> NO <input type="checkbox"/>	

ATTORNEY NAME: Richard Fuqua
FIRM: Fuqua & Associates
ADDRESS: 5005 RIVERWAY STE 250
CITY, STATE ZIP: HOUSTON, TX 77056
TELEPHONE: 713-960-0277

Are all accounts receivable being collected within terms? Yes ☒ No ☐
Are all post-petition liabilities, including taxes, being paid within terms? Yes ☒ No ☐
Have any pre-petition liabilities been paid? Yes ☒ No ☐ If so, describe

Are all funds received being deposited into DIP bank accounts? Yes ☒ No ☐
Were any assets disposed of outside the normal course of business? Yes ☒ No ☐
If so, describe

Are all U. S. Trustee Quarterly Fee Payments current? Yes ☒ No ☐
What is the status of your Plan of Reorganization?

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus all attachments is true and correct.

SIGNED [Signature]
(ORIGINAL SIGNATURE)

MOR-1

TITLE President, CEO

CASE NAME: INLAND ENVIRONMENTAL & REMEDIATION, INCCASE NUMBER: 16-34624-114-11

COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9-14-16	Sept 14-30	OCT				
CURRENT ASSETS							
Cash	2704.91	0	0				
Accounts Receivable, Net	405204.30	459,131.46	331,941.31				
Inventory: Lower of Cost or Market	112,000.00	112,000.00	112,000.00				
Prepaid Expenses							
Investments							
Other							
TOTAL CURRENT ASSETS	579,906.21	569,131.46	443,941.31				
PROPERTY, PLANT&EQUIP, @ COST	1,546,256.00	1,546,256.00	1,546,256.00				
Less Accumulated Depreciation							
NET BOOK VALUE OF PP & E	1,546,256.00	1,546,256.00	1,546,256.00				
OTHER ASSETS:							
1. Tax Deposits							
2. Investments in Subs							
3. Leasehold Improvements	4,000,000.00	1,000,000.00	1,000,000.00				
4. (attach list) See below *	2.00		2.00				
TOTAL ASSETS	3,066,163.21	3,115,387.46	2,990,199.31				

MOR-2

*Per Schedules and Statement of Affairs
 * INTEREST in REAL PROPERTY 1.00
 * INTEREST in Intellectual Property 1.00

Revised: 6-14-06

CASE NAME: Inland Environmental + Remediation, Inc.CASE NUMBER: 16,346.24-H4-11**COMPARATIVE BALANCE SHEETS**

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH Sept	MONTH Oct	MONTH	MONTH	MONTH	MONTH
LIABILITIES:							
POST-PETITION LIABILITIES (MOR-4)		0					
PRE-PETITION LIABILITIES:							
Notes Payable-Secured	3,024,236.02	3,024,236.02	3,024,236.02				
Priority Debt	1,414,374.98	1,414,374.98	1,414,374.98				
Federal Income Tax	7,007.66	7,007.66	7,007.66				
FICA/Withholding							
Unsecured Debt	8,449,269.44	8,449,269.44	8,449,269.44				
Other							
TOTAL PRE-PETITION LIABILITIES							
TOTAL LIABILITIES	9,870,652.08	9,870,652.08	9,870,652.08				
OWNERS'S EQUITY (DEFICIT):							
PREFERRED STOCK							
COMMON STOCK							
ADDITIONAL PAID-IN CAPITAL	67,154.87	67,154.87	67,154.87				
RETAINED EARNINGS: Filing Date							
RETAINED EARNINGS: Post Filing Date							
TOTAL OWNER'S EQUITY (NET WORTH)	(6,737,334.00)	(6,737,334.00)	(6,737,334.00)				
TOTAL LIABILITIES & OWNER'S EQUITY	(6,804,488.87)	(6,804,488.87)	(6,804,488.87)				

MOR-3

*Per Schedules and Statement of Affairs

Revised: 6/16/96

CASE NAME: Inland Environmental & Remediation, IncCASE NUMBER: 16-34624-14-11**SCHEDULE OF POST-PETITION LIABILITIES**

	MONTH <i>Sept</i>	MONTH <i>OCT</i>	MONTH	MONTH	MONTH	MONTH
TRADE ACCOUNTS PAYABLE	0	0				
TAX PAYABLE:	0	0				
Federal Payroll Taxes	0	0				
State Payroll & Sales	0	0				
Ad Valorem Taxes	0	0				
Other Taxes	0	0				
TOTAL TAXES PAYABLE	0	0				
SECURED DEBT POST-PETITION	0	0				
ACCRUED INTEREST PAYABLE	0	0				
*ACCRUED PROFESSIONAL FEES:	0	0				
OTHER ACCRUED LIABILITIES:	0	0				
1.	0	0				
2.	0	0				
3.	0	0				
<i>TOTAL POST-PETITION LIABILITIES (MOR-3)</i>	0	0				

• Payment Requires Court Approval.

MOR-4

Revised: 6/1/96

CASE NAME: Inland Environmental Remediation, IncCASE NUMBER: 16-34624-114-11

AGING OF POST-PETITION LIABILITIES

MONTH October

DAYS	TOTAL	TRADE ACCTS	FED TAXES	STATE TAXES	AD-VALOREM, OTHER TAXES	OTHER
0-30	225,236.71	225,236.71				
31-60	213,594.14	213,594.14				
61-90	15,934.77	15,934.77				
91+	366,290.81	218,158.57	7,007.66	1,414,374.98		
TOTAL	4,057,666.43	2,636,283.79	7,007.66	1,414,374.98		

AGING OF ACCOUNTS RECEIVABLE

MONTH						
0-30 DAYS	34,523.30					
31-60 DAYS	138,935.73					
61-90 DAYS	16,469.17					
91+ DAYS	214,786.27					
TOTAL	457,714.47					

MOR-5

Revised: 6/14/96

CASE NAME: Inland Environmental & Remediation, Inc.CASE NUMBER: 16-34624-H4-VI

STATEMENT OF INCOME (LOSS)

MONTH	Sept	Oct					FILING TO DATE
REVENUES (MOR-1)	18746.97	0					
TOTAL COST OF REVENUES							
GROSS PROFIT	18746.97	0					
OPERATING EXPENSES:							
Selling & Marketing							
General & Administrative							
Insiders Compensation							
Professional Fees							
Other (attach list)							
TOTAL OPERATING EXPENSES	0	0					
INCOME BEFORE INT, DEPR/TAX (MOR-1)	18746.97						
INTEREST EXPENSE							
DEPRECIATION							
OTHER (INCOME) EXPENSE*							
OTHER ITEMS**							
TOTAL INT, DEPR & OTHER ITEMS							
NET INCOME BEFORE TAXES	18746.97	0					
FEDERAL INCOME TAXES							
NET INCOME (LOSS) (MOR-1)	18746.97	0					

Accrual Accounting Required, Otherwise Footnote With Explanation

* Footnote Mandatory

** Unusual and/or infrequent item(s) outside the ordinary course of business; requires footnote

MOR-6

Revised: 6/1/96

CASE NAME: Inland Environmental Remediation, INC.CASE NUMBER: 16-34624-H4-11

CASH RECEIPTS AND DISBURSEMENTS	MONTH <u>Sept</u>	MONTH <u>Oct</u>	MONTH	MONTH	MONTH	MONTH	SIX MONTHS TO DATE
1. CASH - BEGINNING OF MONTH	<u>2971.91</u>	<u>2602.90</u>					
RECEIPTS:							
2. CASH SALES							
3. COLLECTION OF ACCOUNTS RECEIVABLE	<u>18746.97</u>	<u>125190.15*</u>					
4. LOANS & ADVANCES (attach list)							
5. SALE OF ASSETS							
6. OTHER (attach list)							
TOTAL RECEIPTS	<u>21718.88</u>	<u>0</u>					
(Withdrawal)Contribution by Individual Debtor MFR-2*							
DISBURSEMENTS:							
7. NET PAYROLL							
8. PAYROLL TAXES PAID							
9. SALES, USE & OTHER TAXES PAID							
10. SECURED / RENTAL / LEASES							
11. UTILITIES							
12. INSURANCE							
13. INVENTORY PURCHASES							
14. VEHICLE EXPENSES							
15. TRAVEL & ENTERTAINMENT							
16. REPAIRS, MAINTENANCE & SUPPLIES							
17. ADMINISTRATIVE & SELLING							
18. OTHER (attach list)							
TOTAL DISBURSEMENTS FROM OPERATIONS							
19. PROFESSIONAL FEES							
20. U.S. TRUSTEE FEES		<u>325.00</u>					
21. OTHER REORGANIZATION EXPENSES (attach list)							
TOTAL DISBURSEMENTS	<u>21718.88</u>	<u>325.00</u>					
22. NET CASH FLOW	<u>0</u>	<u>2277.90</u>					
23. CASH - END OF MONTH (mor-2)	<u>0</u>	<u>2277.90</u>					

MOR-7

*Applies to individual debtor's only.

* \$0 collected by Debtor
 \$125,190.15 was collected & retained by Factoring Company

Revised:6/14/96

CASE NAME: Inland Environmental + Remediation, IncCASE NUMBER: 16-34624-H4-11CASH ACCOUNT RECONCILIATION
MONTH OF October

BANK NAME	<u>Capital One</u>	<u>Capital One</u>	<u>_____</u>	<u>Capital One</u>	
ACCOUNT NUMBER	<u>#3820671596</u>	<u>#3820101757</u>	<u>#</u>	<u>3820264249</u>	
<u>ACCOUNT TYPE</u>	<u>OPERATING</u>	<u>PAYROLL</u>	<u>TAX</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
BANK BALANCE	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
DEPOSIT IN TRANSIT	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
OUTSTANDING CHECKS	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
ADJUSTED BANK BALANCE	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
BEGINNING CASH - PER BOOKS	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
RECEIPTS	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
TRANSFERS BETWEEN ACCOUNTS	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
(WITHDRAWAL)CONTRIBUTION- BY INDIVIDUAL DEBTOR MFR-2	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
CHECKS/OTHER DISBURSEMENTS	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
ENDING CASH - PER BOOKS	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>

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Revised: 6/14/96

CASE NAME: Inland Environmental Remediation, IncCASE NUMBER: 16-34624-114-11CASH ACCOUNT RECONCILIATION
MONTH OF October

BANK NAME	<u>Capital One</u>	<u>Capital One</u>			
ACCOUNT NUMBER	<u>#3023937483</u>	<u>#3023937491</u>	<u>#</u>		
<u>ACCOUNT TYPE</u>	<u>OPERATING</u>	<u>PAYROLL</u>	<u>TAX</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
BANK BALANCE	<u>2602.90</u>				<u>2602.90</u>
DEPOSIT IN TRANSIT					
OUTSTANDING CHECKS	<u>325.00</u>				<u>325.00</u>
ADJUSTED BANK BALANCE	<u>2277.90</u>				<u>2277.90</u>
BEGINNING CASH - PER BOOKS	<u>0</u>				<u>0</u>
RECEIPTS					
TRANSFERS BETWEEN ACCOUNTS	<u>2277.90</u>				<u>2277.90</u>
(WITHDRAWAL) CONTRIBUTION- BY INDIVIDUAL DEBTOR MFR-2					
CHECKS/OTHER DISBURSEMENTS					
ENDING CASH - PER BOOKS	<u>2277.90</u>				<u>2277.90</u>

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Revised: 6/14/96

CASE NAME: Inland Environmental & Remediation, Inc.CASE NUMBER: 16-34624-H4-11**PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U. S. Bankruptcy Code) and the professionals. Also, for insiders identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary.)

INSIDERS: NAME/POSITION/COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	Sept	Oct				
1. <u>NONE</u>	0	0				
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	0	0				

PROFESSIONALS NAME/ORDER DATE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	Sept	Oct				
1. <u>NONE</u>	0	0				
2.						
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	0	0				

MOR-9

Revised: 6/1/09